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SUBJECT: VIETNAM: CONGRESSMAN COLLINS MEETS MINISTER OF  
TRADE

1. (U) Summary: On February 27, Congressman Mac Collins (R-GA) met with Vietnam's Minister of Trade Truong Dinh Tuyen to discuss bilateral trade relations. Collins emphasized that bilateral cooperation on trade is closely linked to cooperation in other areas such as MIA issues. Tuyen emphasized the GVN's commitment to developing a "multifaceted" relationship with the U.S. and opined that relations between the two countries had grown more positive and constructive in the two years since entry-into-force of the U.S.-Vietnam bilateral trade agreement (BTA) in December 2001. End summary.

2. (U) Congressman Mac Collins of Georgia met on February 27 with Vietnamese Minister of Trade Tuyen to discuss bilateral trade relations. The Ambassador; Grant Bassett, from Collins' personal staff; Col Randy O'Boyle, U.S. Air Force Legislative Affairs; Garnett "Bill" Bell, also from Collins' staff, accompanied Congressman Collins, along with Navy/Marine Attache and econoff (notetaker).

3. (U) Minister Tuyen welcomed Congressman Collins, noting his belief that exchanging visits helps increase the two countries' mutual understanding. Tuyen noted that his own visit to the U.S. (in September 2003) had given him new perspective on the relationship. Collins responded that this was his second visit to Vietnam in the last six months, but the first opportunity he had to travel outside Hanoi. During his trips to and from the airport as well as his visit to Danang and the surrounding countryside he saw evidence of a lot of change occurring in Vietnam. Collins said that the new industrial parks and manufacturing sites he had seen must be helpful to the GVN because they indicate an increase in jobs. "Jobs" are a big part of the political discussion in the U.S. these days, he added.

#### Vietnam's Economic Reforms

4. (U) Minister Tuyen described the three main components of Vietnam's economic reform process: 1) policy restructuring, (i.e. GVN administrative reform and the transition to a market-oriented economy); 2) restructuring industry to increase Vietnam's competitiveness (including "equitization" of state-owned enterprises and private sector development); and 3) international economic integration (with an emphasis on the key roles of the EU, U.S., Japan and China). Tuyen noted that although both the GVN and the Vietnamese people are willing to reform, large obstacles remain. Vietnam's transition has been going on for only ten years, but other countries like the U.S. have been developing for hundreds of years and have "everything in order." The GVN has achieved some success however, and the leadership remains committed to the path it has chosen.

#### MOT Views on the Bilateral Relationship

5. (U) Tuyen then outlined his views on the U.S.-Vietnam bilateral relationship. Since normalization, and particularly since the signing of the BTA, he said, the bilateral relationship has grown increasingly positive and constructive. The GVN views the U.S. as an important trading partner, but GVN policy also clearly favors developing a multifaceted relationship. Last year many high-ranking GVN officials visited the U.S., including the Minister of Defense and many National Assembly members. The Minister also noted that he had met with many U.S. Congressmen in Vietnam last year and had the opportunity to meet former President Bush several years ago. The GVN and the Vietnamese people "hope, expect, want" relations with the U.S., Tuyen added. However, sensitivities remain on both sides and the two countries need to make sure that "diplomatic" policies do not create impediments to the further development of the relationship.

#### Powerful Legislators on Both Sides

6. (U) U.S. policies do sometimes create problems for Vietnam, Tuyen continued. It has been just two years since

entry-into-force of the BTA and there have already been two dumping cases filed against Vietnam. The current antidumping case on shrimp could have a more negative impact on Vietnam (than the frozen fish fillet dumping case concluded last year) because it involves millions of laborers. These laborers do not understand claims of dumping, Tuyen asserted; they do, however, still recall historical events. Minister Tuyen asked Collins to "have a positive voice in the dumping case." President Bush and Secretary of Commerce Evans are afraid of the Congress; we

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are in the same position in Vietnam, under the watchful eye of the National Assembly. Previously members of the CPV were not afraid of the National Assembly, Tuyen declared. Now, however the National Assembly is more powerful, which is good for Vietnam because the National Assembly represents the people.

#### Vietnam Should Import More from the U.S.

17. (U) The BTA set demanding requirements for Vietnam. The U.S. has never signed such a comprehensive bilateral trade agreement and the high criteria and standards are difficult for Vietnam. However, two years after entry-into-force of the BTA, the U.S. has become Vietnam's "leading trade partner." In 2003 Vietnam exported about USD four billion worth of goods to the U.S. and imported about USD 1.5 billion. Tuyen said he expected the growth rate of Vietnamese exports to decline in 2004, but the growth rate of imports from the U.S. to increase. Tuyen smiled and said he supports an increase in imports from the U.S. Even though Vietnam already has a trade deficit, this is due to imports from other countries, not the U.S. Vietnam's demand for imports of high technology goods from the U.S. is growing, especially since the signing of the bilateral Air Services Agreement (in December 2003). In 2004 Vietnam will need additional aircraft and machinery. There is good potential for import growth, Tuyen added and reiterated that he strongly supports that trend.

#### Vietnam needs Sympathy and Support for WTO Accession

18. (U) Tuyen affirmed that Vietnam is working tirelessly in preparation for the next working party on Vietnam's accession to the WTO and expects to make progress during the next round. The GVN is willing and determined to integrate, but that is not enough, Tuyen said. Vietnam needs the "sympathy and support" of its trade partners. The GVN knows the U.S. voice in this process is very important. Vietnam is a developing country with more than eighty percent of its population engaged in small-scale farming. Even with multiple planting seasons, it is very hard for Vietnam's farmers to get by. Tuyen expressed hope that the U.S. would not allow the WTO to impose criteria and standards on Vietnam that it cannot meet. Tuyen also asked that the U.S. support extending special and differential treatment to Vietnam, given its low level of development. In response, Collins advised Tuyen that as Vietnam proceeds through the WTO process, it should follow the rules closely including on such issues as licensing, permitting, and taxation.

#### It's All About Jobs

19. (U) Collins emphasized that the U.S. is facing difficult times itself. While the U.S. is not isolationist, Americans are worried about jobs. In the bilateral textile agreement signed last year, Vietnam got a significant textile quota for export to the U.S. Many U.S. workers feel this came at the expense of their jobs. Minister Tuyen responded that the GVN recognizes that Vietnam's textile exports to the U.S. increased after entry-into-force of the BTA, but the GVN believes the volumes are still modest. At the same time, the capacity of Vietnam's textile industry is huge and the quota given to Vietnam is limited. Additionally, importing textiles from Vietnam helps the U.S. diversify its outsourcing and reduce its dependence on Chinese textile exports. Congressman Collins noted that the two sides could debate the issue at length, but that ultimately the "real debate is among the candidates in the U.S. and protectionism is a real subject."

#### What About Autos and Motorcycles?

10. (U) Collins then questioned Minister Tuyen's claim that he wants Vietnam to import more from the U.S. Collins noted that Vietnam had imposed special taxes on auto manufacturers and denied Harley Davidson the right to export to Vietnam. These acts cast doubts on the Minister's sincerity, Collins asserted.

#### All Issues are Connected

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11. (U) Collins then noted that his primary purpose in Vietnam was to discuss MIA issues with the GVN, but said he wanted to meet with Minister Tuyen because "all the issues in the legislative body have a tendency to come together." Unanswered questions on MIA issues increase concerns about trends in bilateral cooperation. When there is a lack of cooperation in one area, Collins said, it casts doubt on future cooperation in other areas such as trade. Minister Tuyen responded that the GVN sees the MIA issue as a humanitarian one and noted that the GVN has and will continue to be cooperative with the USG on this issue. "Vietnam truly understands the pain of families with MIA," Tuyen added. Collins encouraged Tuyen to ensure the GVN addresses U.S. concerns in a "better and faster" manner than it has to date. People in America who make up our workforce are tired of free trade -- they want fair trade. Americans welcome trade but it must be an exchange of goods, not just an exchange of our currency for someone else's goods, Collins concluded.

#### The Role of Domestic Politics

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12. (U) The Ambassador highlighted that Congressman Collins' visit to Vietnam provided Minister Tuyen with an opportunity to hear how important trade issues have become in American domestic politics this year. The Administration has supported free trade, but if you listen to the debates going on now, you hear candidates criticize existing trade agreements. It is an important year to deal with these issues seriously and carefully so as not to provide any arguments for protectionism, the Ambassador added.

13. (U) Congressman Collins did not have an opportunity to clear this report.  
BURGHARDT